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28 November 1960



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CENTRAL

INTELLIGENCE

BULLETIN



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## CENTRAL INTELLIGENCE BULLETIN

28 November 1960

### DAILY BRIEF

#### I. THE COMMUNIST BLOC

Hungary: Party-wide meetings have been conducted in Hungary to plan the drive for completing agricultural collectivization following the 28-29 October plenum of the Hungarian party's central committee, which ordered the amalgamation of existing cooperative farms and called for the collectivization of the 23 percent of the country's arable land still under private control. Local press reports indicate shortfalls in the harvest and a failure to coordinate fall sowing--both reflections of mounting organization and supply problems, a lack of effective rural party cadres, and passive resistance on the part of the peasants. ok

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#### II. ASIA-AFRICA

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Laos: King Savang has refused to act on Souvanna Phouma's proposal that the principal representatives in the Laotian crisis from Vientiane, Savannakhet, and the Pathet Lao meet in

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[Luang Prabang under the King's aegis to form a broad national union government. While he distrusts Souvanna Phouma and is intriguing against him, the King remains unwilling to risk decisive action and continues to wait for a military solution.

The movement of Vientiane and Pathet Lao forces northward toward Luang Prabang from Muong Kassy apparently continues,

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[Pathet Lao units may be advancing on Luang Prabang from Sam Neua Province to support Vientiane's move.]

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### III. THE WEST

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West Germany: West German interzonal trade representative Kurt Leopold has submitted his resignation to Chancellor Adenauer as a result of sharp differences of opinion with Bonn over the forthcoming negotiations for the renewal of the abrogated trade agreement with East Germany. Leopold feels that

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his negotiating position has been compromised by official disclosures to the press of Bonn's eagerness to resume the trade talks, and he attributes the uncooperative attitude recently taken by the East Germans on trade matters to these revelations. Leopold may also be annoyed by the presence in West Berlin last week of officials of the West German Economics Ministry who reportedly made informal contacts with their East German counterparts, and he foresees that the negotiations will be handled by the Economics Ministry at a higher level than his Trusteeship Office. A committee of the Bonn cabinet has advised Adenauer that the time now has definitely come to start negotiations immediately.

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*ok*

**\*Venezuela:** The three days of rioting in Caracas, which continued late on 27 November, were touched off by an illegal strike of Caracas telephone workers on 25 November. The strike itself was reportedly settled less than 24 hours after it began but students and other pro-Castro opposition elements joined the agitation of the strikers and continued rioting, possibly with the organizational assistance of a dangerous Cuban student agitator who had been scheduled to arrive in Caracas on 22 November. The union of telephone workers is reportedly controlled by the Democratic Republican Union (URD) the leftist pro-Castro party which withdrew from the three-party coalition government on 17 November and was omitted from President Betancourt's reorganized cabinet on 21 November. The URD has been demanding a leftist reorientation of the Betancourt regime, and may be expected to continue agitation against the government. The army and the government security forces, however, appear to be actively supporting the regime and no widespread turmoil has been reported outside the capital.

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### Hungarian Regime Drives to Complete Agricultural Collectivization

The Kadar regime recently announced a decision of 28-29 October to complete agricultural collectivization this winter, despite the poor situation in the countryside as revealed by recent Hungarian government and press comment. The party daily Nepszabadsag reported that the fall sowing of grain was 10 percent less than in 1959, and that 35 percent of the corn and 22 percent of the sugar beet crops had not been harvested, despite the use of army and police troops in the fields. A week earlier, Minister of Agriculture Pal Losonczi expressed concern over delays in fall field work and implied that farm managers and local government units were failing to make use of agricultural machinery made available to them in the past two years. The effects of such shortcomings, coupled with reports of widespread illegal slaughter of livestock by the peasants, will necessitate increased imports and retard the achievement of economic plans.

The failure to complete the sowing of winter grains and to coordinate field work reflects mounting organizational and supply problems and the passive resistance of the peasants--developments which are largely an outgrowth of the collectivization campaign of the past two winters. Similar delays last year are considered the chief reason for the reported 8- to 10-percent decline in 1959 grain production, despite increased acreage sown to grain.

The Kadar leadership has achieved a nominal collectivization of 77 percent of the arable land by major drives in 1958 and 1959 but has still been unable to recruit effective rural party leadership. While roughly four fifths of the farms had party organizations in February of this year, they were mainly composed of farm managers, administrative personnel, and professional agronomists "on loan" to the cooperatives, and they neither stimulated peasant interest nor stemmed the flight of peasant youths to the cities. The regime has also

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resorted to stopgap measures to strengthen rural party work by utilizing officials of the Patriotic Peoples' Front (PPF), the Communist youth organization (KISZ), and the trade unions. During the past summer, 300 full-time functionaries from the party headquarters and the Budapest municipal party organization were sent on two-week tours to the farms to hold political courses and work alongside the peasants in the fields. In a tip-off to the type of intensive agitation work to be conducted this winter, the Society for Scientific Education has announced that it is preparing to send 8,000 "lecturers" to the countryside in the next three months.

The regime has offered the peasants a series of inducements, largely monetary, to simulate livestock breeding, grape growing, farm construction, and the purchase of machinery, stock, seeds and fertilizers. It has invested 17 billion forints--40 percent more than was allocated by the draft Three-Year Plan for 1958-60. This redirection of funds to agriculture has forced a slowdown in other sectors of the over-all economic program.

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Situation in Laos

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King Savang has refused to act on Souvanna Phouma's proposal that the principal representatives from Vientiane, Savannakhet, and the Pathet Lao meet in Luang Prabang under the King's aegis to form a broad national union government.

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Although the King is unsympathetic to the Souvanna regime and is engaged in backstage intrigues against it, he appears unwilling to run the risk of decisive action and continues to wait for a military solution.

Vientiane troops apparently continue to advance northward from Muong Kassy toward Luang Prabang.

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There is a report that 1,000 additional troops were to leave the Vientiane area on 27 November to join in the operation against Luang Prabang. The US military attaché in Vientiane comments that the withdrawal of this force would leave the defense of Vientiane almost entirely to the Pathet Lao.

Pathet Lao troops in Sam Neua Province are moving westward to assist in the operation against Luang Prabang.

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Addressing a mass rally in Vientiane on 26 November, Souvanna reportedly expressed confidence that he and Phoumi could agree on a political solution but added, "If we are thwarted we will have to fight... but we will do this in case of dire necessity only." Souvanna meanwhile is considering proceedings for

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the impeachment of National Assembly deputies who are collaborating with the Savannakhet rebels. Twenty one of the assembly's 59 deputies are presently absent from Vientiane.

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Both Peiping and Hanoi have responded enthusiastically to Souvanna's overtures for a good-will mission and reportedly have extended invitations for visits by a Laotian delegation in December.

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West German interzonal trade representative Kurt Leopold has submitted his resignation to Chancellor Adenauer in protest over revelations by Bonn officials of the West German negotiating position in forthcoming talks to renew the abrogated trade agreement with East Germany. Leopold told American officials in Berlin that Bonn had shown "its trump cards" to the East, which now has the Federal Republic "eating out of its hand." He attributes the East Germans' recent uncooperative attitude on trade matters to these disclosures. In a press interview on 12 November, Adenauer had stated that Bonn would be flexible on new negotiations, which if conducted intelligently might achieve some advantage for Berlin access. The West German press has since reported Bonn's fears that a break in trade would give the Ulbricht regime a pretext to move against Berlin access and Bonn's eagerness to resume negotiations without necessarily making the lifting of East German restrictions a precondition of a new agreement.

Leopold has also had sharp differences of opinion with officials of West Germany's Economics Ministry and he may resent the presence in Berlin last week of certain of these officials who reportedly made informal contact with their East German counterparts. He foresees that negotiations will be handled by the Economics Ministry at a higher level than his Trusteeship Office. The American Embassy in Bonn was advised on 23 November, however, that the Trusteeship Office would initiate negotiations with the East Germans on 29 November, but with two high-ranking Bonn officials "sitting in the next room" to give advice to the West German negotiators, presumably Leopold or his deputy.

An "economic committee" of the cabinet advised Adenauer last week that the time has come to start negotiations immediately. Adenauer has deferred his decision until 28 November, when he is scheduled to see Leopold in Bonn to discuss trade problems and Leopold's resignation and at which time a decision will probably be taken on proceeding with the negotiations.

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